

FISCAL NOTE

Bill #: HB0179

Title: Provide for withholding of unemployment benefits for federal tax liability

Primary

Sponsor: Paul Sliter

Status: As introduced

Sponsor signature

Date

Dave Lewis, Budget Director

Date

Fiscal Summary

FY2000
Difference

FY2001
Difference

Expenditures:

Unable to calculate fiscal impact

Yes No
 X Significant Local Gov. Impact

 X Included in the Executive Budget

Yes No
 X Technical Concerns

 X Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The department will deduct and withhold up to 15% from unemployment benefits to repay federal tax obligations. The amount to be withheld will be determined by the Internal Revenue Service. The costs for the program development will be reimbursed by the federal government and are unknown at this time.
2. There may be a minimal positive effect on the Unemployment Insurance (UI) trust fund balance as the criteria for wages used to requalify for benefits becomes more narrow. The specific fiscal impact cannot be calculated.
3. Section 11 allows a 100% offset of UI benefits to recover those benefits fraudulently obtained. The change may have a minimal positive impact on the UI trust fund. Total overpayment and penalties collected during FY 1998 were \$584,205. Fraud overpayments collected were \$108,008. Fraud offsets collected were \$25,614. Any additional amount of overpaid benefits collected would be returned to the UI Trust Fund. Fraud offsets collected are dependent on claimants continuing to file for benefits. Specific fiscal impact cannot be calculated.

